CLERK: Senator Keyes voting aye. Senator Cope voting aye. Senator Maxey voting aye. Senator Murphy voting aye.

PRESIDENT: Senator Carsten moves that the Call be raised. Record your vote. Have you voted? Record.

CLERK: 16 ayes, no nays to raise the Call, Mr. President.

PRESIDENT: The Call is raised. Report the vote.

CLERK: 27 ayes, no nays on the advancement of LB 946, Mr. President.

PRESIDENT: The amendment...the motion to advance carries. LB 964.

CLERK: Read LB 964.

PRESIDENT: Senator Warner.

SENATOR WARNER: Mr. President, I move that LB 964 be advanced to E & R Initial. 964 is the proposal for the distribution of adjustments in employees salaries for the current year with the exception of the University and the State Colleges which for one reason because of the court decisions have some discretion in this area, but in all instances all agencies had an adjustment in the dollars that were recommended to you of an increase of 61% in the dollars and this is the...964 is the proposal to you as to how each agency may utilize that increase in dollars for salary adjustment. What 964 does is these things: It makes the adjustment for the salary increases based on each individual salary at the close of business on June 30, 1978. It would require that a minimum, not less than 4% increase be accorded to each state employee at that point. The agency would have the opportunity, if they so chose to make the full  $6\frac{1}{2}\%$  adjustment as of July 1 if that is what the agency chose to do. The bill as drafted as I indicated had a 4% mandated increase July 1, the remaining 2% of the dollars is at the discretion of the agency head. It would be my anticipation that in most instances, most agencies would probably give the full 61% across the board but it does provide some flexibility to the agency director to...where he feels satisfactory performance is not to be an accomplished....by perhaps some individual employee that that adjustment would only be the 4%. I know that there are lots of arguments on how salaries should be done. As I have contacted a variety of private businesses I find very few who use straight across the board increases for everyone and I assume that anyone who has been in business for themselves recognizes the same thing that there should be some flexibility on the part of the agency head to be...to consider the performance of the employees and if a few were not satisfactory employees providing satisfactory employment probably an adjustment a full adjustment in their salaries is reasonable and in fact necessary. Section three of the bill does provide the opportunity if any agency wishes to do so to provide small cash bonuses for particular....or award type system for employees, this would be done pursuant to rules and regulations propagated by the Director of Personnel and conceptually what has been discussed here is a relative small amount that might be used for an agency to recognize some particular service